

TRANSCRIPT OF
 MEETING
 of
 STATE LANDS COMMISSION
 LOS ANGELES, CALIFORNIA
 March 29, 1962

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PARTICIPANTS:

THE COMMISSION:

Hon. Glenn M. Anderson, Lieutenant Governor, Chairman
 Hon. Alan Cranston, Controller

(Hon. Hale Champion absent)

Mr. F. J. Hortig, Executive Officer
 Mr. Alan Sieroty, Administrative Assistant
 to Lieutenant Governor Anderson

OFFICE OF THE ATTORNEY GENERAL:

Mr. Jay L. Shavelson, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

Mr. Gordon D. Tandy, Assistant Contract Supervisor
 Pacific Gas and Electric Company

Mr. John Sanbrook, Assistant County Counsel
 County of Santa Cruz

Mr. Vincent D. Locatelli, Member of Board of
 Supervisors, County of Santa Cruz

Mr. R. W. Armstrong, Land Supervisor,
 Standard Oil Company of California

Mr. J. Kerwin Rooney, Port Attorney, Board
 of Port Commissioners, City of Oakland

I N D E X

(In accordance with Calendar Summary)

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1	Confirmation of minutes meeting January 22, 1962			1
2	PERMITS, EASEMENTS, AND RIGHTS-OF-WAY, NO FEE			
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3	PERMITS, EASEMENTS, RIGHTS-OF-WAY, LEASES -- FEE			
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	(e) Robinet Logging Co.	17	28	15
	(f) Southwest Explor.Co.	11	29	16
	(g) Tidewater Oil Co.	18	30	16
	(h) Mobil Oil Co.	4	31	16
	(i) Mobil Oil Co.	2	33	17
	(j) Texaco Inc.	6	34	17
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	(k) Standard Oil Co. of Calif., West.Op., Inc.	9	35	17
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	(l) San Diego Gas & Elec.	3	36	29
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1 GOV. ANDERSON: The meeting of the State Lands
2 Commission will come to order. The first item is confirmatic
3 of minutes of meeting of January 22, 1962.

4 MR. CRANSTON: I move approval.

5 GOV. ANDERSON: Seconded, and carried unanimously.
6 For the record, we might note that Controller Cranston and
7 Lieutenant Governor Anderson are present and constitute a
8 quorum.

9 MR. CRANSTON: Glenn, the Director of Finance is
10 unavoidably absent because of budget problems up in Sacramento.

11 GOV. ANDERSON: Item 2 is permits, easements, and
12 rights-of-way to be granted to public and other agencies at
13 no fee, pursuant to statute. The consideration is the public
14 benefit.

15 First applicant is the Estero Municipal Improvement
16 District -- a permit to dredge State sovereign lands in Bel-
17 mont Slough, San Mateo County, and deposit spoils on adjacent
18 State lands; a 49-year life of structure permit for sanitary
19 and recreational facilities, all in connection with develop-
20 ment of a public park. Mr. Hortig?

21 MR. HORTIG: Mr. Chairman, in addition to this
22 specific application for a limited area project, I believe it
23 would be of interest to the Commission to know that this is
24 one of the elements in a large scale development of an area
25 known as Brewer Island, which will be filled substantially by
26 means of fill material obtained from the dredging of San Bruno

1 Shoals, for which purpose a lease has heretofore been issued
 2 by the Lands Commission pursuant to competitive public bidding,
 3 to the same applicant here involved. In terms of the larger
 4 project there will be royalty revenues to the State of Cali-
 5 fornia for the filled project. There are no royalty revenues
 6 in connection with the application on file here this morning
 7 and the material will simply be relocated, not removed from the
 8 general area, and the area filled will be operated as a public
 9 park.

10 GOV. ANDERSON: What city is this adjacent to?

11 MR. HORTIG: Nearest to San Bruno and San Mateo on
 12 the Bay shore.

13 GOV. ANDERSON: Now, I am not objecting to this
 14 particular application but I'd like to get a little information
 15 as to the over-all picture. Quite often when I am in the Bay
 16 area people ask me "Is there an over-all plan for development
 17 in the Bay area?" and I am at a loss to be able to explain,
 18 because I understand there is not an over-all plan -- we are
 19 doing this on a piecemeal basis. Now, has the State Lands Com-
 20 mission ever attempted to come up with any kind of guide or
 21 plan, or are we going to do this on the same basis in the
 22 future?

23 MR. HORTIG: Mr. Chairman, the policy elements are,
 24 starting with the first essential that you have already com-
 25 mented on, that there is not now an over-all plan for develop-
 26 ment of lands in San Francisco Bay. There are a multiplicity

1 of plans representing the desires and programs primarily of
 2 the city and county planning commissions, which cities and
 3 counties front on San Francisco Bay. There are several regional
 4 councils who meet and discuss their common problems; but, inso-
 5 far as the application of a plan to a particular area, this to
 6 date is still in accordance with the wishes of the local com-
 7 munities and local planning agencies, and so forth.

8 The difficulty of State Lands coming up with a co-
 9 ordinated plan for the San Francisco Bay area stems primarily
 10 from the fact that extensive areas of tide and submerged lands
 11 were sold by the State into private ownership many years ago,
 12 particularly circa 1870. Additionally, many of the municipi-
 13 palities, and certainly all of the leading municipalities,
 14 fronting on San Francisco Bay have received grants in trust of
 15 their tide and submerged lands within their city limits on
 16 San Francisco Bay; so these lands are no longer under the
 17 jurisdiction of the State Lands Commission. Again, then,
 18 each municipality that has such a tideland trust grant is pro-
 19 ceeding currently for the most part on plans which are con-
 20 sidered desirable for that particular municipality.

21 GOV. ANDERSON: Now, have we ever taken these plans
 22 as the city and county planning agencies have lined them out
 23 have we ever taken them and put them in an over-all prospectus
 24 so we can see where they are going?

25 MR. HORTIG: No sir, we have not. The State Office
 26 of Planning of the Department of Finance has made a tentative

1 analysis of that, which we have reviewed and commented on
2 insofar as lands under the jurisdiction of the State Lands Com-
3 mission; but by far the greater percentage of the area that is
4 under consideration for current development in San Francisco
5 Bay is involved in or within the scope of one of these indi-
6 vidualized plans by a particular locality for their own means
7 and without coordination.

8 GOV. ANDERSON: About a year or so ago when we were
9 looking for a site for the university, remember, there was
10 some comment or suggestion of filling in some of the low lands
11 in the south end of the Bay because this is State property.
12 The suggestion of this and the publicity received made me at
13 least evolve a lot of questions: Do you have a State program?
14 What does the State own? What is the plan? What does the
15 city and county own? Do you have any over-all plan for the
16 Bay area?

17 Maybe this is not a subject for State Lands, but it
18 seems to me we are involved in this and if we aren't the ones
19 to put this together in some sort of a planned program, maybe
20 it's the Department of Finance or maybe it is a regional
21 agency, if it is not set up yet. It seems to me there should
22 be some answer when people ask "What is your ultimate objec-
23 tive? Are you going to fill in these lands -- what is your
24 ultimate objective?" and we have to say "There is no plan."

25 MR. HORTIG: Mr. Chairman, after my negative report
26 I am happy to report on at least two affirmative factors in

1 connection with what you have just commented on.

2 First, as a result of an inquiry by the Legislature
3 several years ago the Lands Division did prepare a complete map
4 showing jurisdiction, general title distribution, location of
5 grants in the San Francisco Bay area; and I believe for your
6 records currently we should probably send to you another copy
7 of that report to the Legislature, which highlights the fact
8 that of the desirable lands -- those desirable from the stand-
9 point of development purposes other than navigation -- the
10 majority are lands which are no longer under the jurisdiction
11 of the State Lands Commission.

12 However, even with a minority under the jurisdiction
13 of the Lands Commission, the staff has been aware of the need
14 for and the desirability of joint operations, with the result
15 that with every regional council, coordinating plan or planning
16 group who have expressed any interest in the possibility of
17 developing a coordinated plan for San Francisco Bay we are on
18 record with those organizations as wishing to cooperate, to
19 contribute the records and the experience of the Commission to
20 their deliberations in developing a coordinated plan. However,
21 no coordinated plan has yet been developed.

22 GOV. ANDERSON: Do you think that the State Lands
23 Division or Commission should take leadership in trying to
24 bring about a coordinated plan; or do you think someone else
25 is responsible, some other agency?

26 MR. HORTIG: Mr. Chairman, might I suggest that a

1 directive to the staff to analyze just this question and re-
 2 port to the Commission I believe would be desirable. We have,
 3 of course, approached it up to now from the standpoint that
 4 the Lands Commission, having the minority interest, was not
 5 necessarily the agency to take the lead in this program. How-
 6 ever, this does not absolutely have to be the case and we are
 7 not aware of any study that has been undertaken heretofore to
 8 determine who in State government might properly take the lead.
 9 If the staff were to undertake the study of this question and
 10 report to the Commission, some significant factors might be
 11 developed and at least it could be determined whether or not
 12 the Commission should go forward or continue to cooperate with
 13 whoever wishes to be cooperated with in the San Francisco Bay
 14 area.

15 GOV. ANDERSON: I think this should be done. I sit
 16 on a couple of other boards that have responsibility in the
 17 Bay area -- for example, the Toll Bridge Authority -- and just
 18 not too long back we had quite a discussion there on the
 19 bridges we were building because it didn't add to the esthetic
 20 value of the San Francisco Bay area. The question arose:
 21 "Is there any standard for esthetics in the area?" Again,
 22 whose responsibility is this? Is it the Department of Public
 23 Works', the State Lands Commission's, or the agencies' involved
 24 in the Bay area? I think there should be such a study.

25 Would it be all right if it were understood a motion
 26 were passed to have our staff analyze this and report it back

1 to us?

2 MR. CRANSTON: It certainly would. You will recall
3 this is something we discussed, Frank, some time ago and you
4 did prepare some report.

5 MR. HORTIG: At the time, for the benefit of the
6 Chairman, there was a possible proposed specific plan for the
7 entire Bay that was being reviewed, which plan has since,
8 practically speaking, been shelved and therefore there is no
9 basis for further consideration because of the objections that
10 were developed by bodies having authority, notably the Army
11 Corps of Engineers, with respect to navigation interests and
12 so forth.

13 I do concur this can well be the take-off point for
14 a current study of the current situation. We do know there are
15 other new studies over and above those previously considered
16 underway right now and the status of these

17 GOV. ANDERSON: By whom?

18 MR. HORTIG: University of California and U. S. Army
19 Corps of Engineers are two that come to mind immediately. How
20 these would coordinate and how comprehensive they are and how
21 they would coordinate with a plan in which the Lands Commission
22 could take a lead, this report would cover.

23 GOV. ANDERSON: I am aware of the university one
24 because I am a member of that. The discussion on that was pro-
25 tection, retaining the beauty of the Bay, and entirely differ-
26 ent from the things we are voting on here.

1 MR. CRANSTON: Let's have such a staff report and
2 study.

3 GOV. ANDERSON: It has been moved and seconded, unani-
4 mously carried, that our staff make a study and analysis of
5 this and report back to us at a subsequent meeting; and I am
6 not making any question of this item (a).

7 We will move on to item (b). Item (b) -- City of
8 Stockton, 49-year life-of-structure permit, 0.017 acre sub-
9 merged land in San Joaquin River, San Joaquin County, for
10 tide recording gauge.

11 MR. CRANSTON: I move approval of Item Classification
12 2.

13 GOV. ANDERSON: It has been moved and seconded,
14 carried unanimously.

15 Item 3 is permits, easements, leases, and rights-of-
16 way issued pursuant to statutes and established rental policies
17 of the Commission. The first applicant is R. W. Cypher -- six
18 two-year prospecting permits, each for one hundred sixty acres
19 proprietary land in Imperial County, for geothermal steam,
20 mineral waters and all minerals other than oil and hydrocarbon
21 gases, at standard royalty rates.

22 MR. HORTIG: Mr. Chairman, I might amplify on the
23 standard royalty rates because there are six prospecting per-
24 mits of the same type already in existence and held by the
25 same applicant. The standard royalty rate herein referred to
26 today is that the royalty rate in connection with the

1 development and utilization of geothermal steam would be the
2 same rate as that which the Commission has approved previously
3 for the other pre-existing prospecting permits.

4 The permits sought here today are part of a large
5 scale regional exploration and development program to deter-
6 mine the ultimate possibilities of developing for southern
7 California a new source of energy, geothermal steam, which is
8 known academically to exist in the Salton Sea area -- the
9 southeastern Salton Sea area in Imperial County -- but which
10 has never heretofore been put to practical commercial utiliza-
11 tion.

12 GOV. ANDERSON: Applicant (b) is Pacific Gas and
13 Electric Company -- a 49-year right-of-way easement on half
14 an acre of submerged land of Old River, San Joaquin and Contra
15 Costa counties, for overhead pole line, total rental \$463.98.

16 Is applicant (c) off calendar?

17 MR. HORTIG: Mr. Chairman, in view of the receipt by
18 staff of a request for deferment of consideration of item (c),
19 Pacific Gas and Electric Company application for a 15-year
20 easement over submerged lands of the southerly arm of San
21 Francisco Bay, pending further planning review, it is recom-
22 mended that the Commission defer action of this item at this
23 time. Also, Mr. Chairman, Mr. Tandy representing Pacific Gas
24 and Electric Company desires to be heard in connection with
25 this request for deferment of consideration.

26 GOV. ANDERSON: Mr. Tandy, Pacific Gas and Electric
Company?

1 MR. TANDY: My name is Gordon Tandy, representing
2 Pacific Gas and Electric Company. Gentlemen, it is becoming
3 increasingly important that we bring additional service into
4 the San Francisco Bay area and particularly the Peninsula and
5 San Francisco area. We are attempting to do this through
6 transmission lines, which actually is item (c), which would
7 cross the San Francisco Bay and then go into a substation in
8 the Peninsula area.

9 GOV. ANDERSON: Is this at the Dumbarton Bridge?

10 MR. TANDY: Yes sir. We have had several delays and
11 I would like to respectfully request that if at all possible
12 consideration be given to this. However, if you cannot or
13 feel you shouldn't, may I ask why it is being deferred at this
14 time as we are anxious to go ahead with the service.

15 GOV. ANDERSON: Mr. Sieroty.

16 MR. SIEROTY: Yes. I requested the delay in con-
17 sidering this matter for these reasons: There is considerable
18 attention being given today, I believe, in California as to
19 the desirability of trying to preserve our environmental
20 beauty and trying to see whether there aren't possibilities
21 of putting utility lines underground, under water, or in some
22 other way to see whether we cannot accomplish both the utility
23 function and also the beauty function.

24 Now, as we develop the San Francisco Bay area, we
25 continue to put transmission lines across the Bay, we are
26 going to have a series of power lines. We don't know what your

1 company's plans are. We'd like to know that for the future.
 2 We'd like to see if there is any possibility of tying these
 3 lines into the bridge; we'd like to find out what the possi-
 4 bilities are of putting this line on the bottom of the Bay;
 5 we'd like to know what the chances are of running this line,
 6 instead of across the Bay, down to the south end of the Bay;
 7 we'd like to know about the advisability of moving the pro-
 8 posed line to the south of the bridge an additional mile or so,
 9 because we have found in the design of the new San Mateo-
 10 Hayward bridge that the power lines present additional problems
 11 in the design of the bridge. Some day we are going to have
 12 to redesign the Dumbarton bridge, although there are no plans
 13 at this time for this, and we want at that time to have no
 14 interference from the transmission lines.

15 These are things we want to study. We want your
 16 cooperation in doing it. That's why the matter was asked to
 17 be put off calendar today.

18 MR. TANDY: Will we receive a request from the State
 19 Lands Commission to answer these questions?

20 MR. SIEROTY: I think we could....

21 MR. TANDY: ... to work with you on these questions?
 22 I might comment on a couple of them. As you may be aware, we
 23 went through public hearings with San Mateo County in obtain-
 24 ing the land use permits for the construction of these lines
 25 in the county. We studied the site and we actually studied
 26 alternate sites initially suggested by the San Mateo planning

1 staff. However, in the second hearing this request was with-
2 drawn, partly due to their continued studies and also our
3 answers to their questions.

4 We had initially proposed on this line to locate it
5 south of the Dumbarton bridge. However, it would be interfer-
6 ing with or in conflict with the Dumbarton bridge, so we have
7 moved it and proposed to construct it just north of the bridge.

8 I might add that this is bundle conductor construc-
9 tion. In effect, what this is, it is one line on your bundle
10 conductor. It would take two ordinary lines to carry the volt-
11 age that would be carried over the one bundle conductor line.
12 In effect, what you are doing -- you are doubling up your lines.
13 This probably would be the first bundle conductor line or
14 facility constructed in our system.

15 We don't anticipate at the time extending any more
16 lines across. We feel this should serve from the east bay
17 direction, should serve about the ultimate and possible future
18 source of supply.

19 GOV. ANDERSON: Is this in addition to the lines
20 that are already there?

21 MR. TANDY: Yes sir.

22 GOV. ANDERSON: Using the same towers and things?

23 MR. TANDY: There are no lines now just adjacent to
24 the Dumbarton bridge. We have transmission lines by the San
25 Mateo-Hayward bridge, but none by the Dumbarton bridge. We
26 intended or proposed to construct a substation on Ravenswood

1 Point, which is the west end of Dumbarton bridge.

2 GOV. ANDERSON: Would this be something similar along
3 the San Mateo-Hayward bridge.....

4 MR. TANDY: Yes sir.

5 GOV. ANDERSON: going along the Dumbarton bridge?

6 MR. TANDY: Yes sir. As far as underground, we have
7 made extensive studies on underground and it is extremely diffi-
8 cult due to our heat factor; and as far as running to the
9 southerly edge of the Bay, going around the south end of the
10 Bay and back up, that area is quite heavily developed. We have
11 Moffat Field and it would be almost impossible to bring a line
12 up from the south end of the Bay to get into the substation.

13 GOV. ANDERSON: How much more difficult is it to run
14 under the water?

15 MR. TANDY: With this type of line it would be re-
16 quired that the line be placed in a pipe that is filled with a
17 high grade insulating oil under pressure, with the conductors
18 to be placed in this pipe. I can't honestly say whether it
19 would be possible to cross the Bay. This I don't know. I know
20 from underground, this would be required for this type of
21 facility. Now, I have discussed this a little bit with our
22 engineers as far as the Bay, and they say they honestly don't
23 know at this time.

24 GOV. ANDERSON: These are the kind of questions that
25 some of us are concerned with, because we just came out of the
26 San Mateo-Hayward development on the Toll Bridge Authority and

1 we found there was a great deal of concern in the Bay area over
 2 the looks of what sort of structure we were building. We had
 3 almost gone ahead with one construction and found the people
 4 were unhappy; and when we came back, as a result of a lot of
 5 testimony, we decided that in addition to the utility value
 6 something of the looks of the thing would have to be taken
 7 into consideration. Why would we put many millions more into
 8 building a certain kind of construction and then have these
 9 lines? We are talking now about putting another set of power
 10 lines along another bridge that we know in the not too distant
 11 future we are going to have to build again, to take care of
 12 the increased traffic.

13 I think these are things we have to know. If the
 14 cost on the job is something that can't be overcome, we will
 15 be reasonable; but at least we should know what we are talking
 16 about and the alternatives there are, and what consideration
 17 has been given by the companies to these problems.

18 MR. TANDY: As far as different locations across
 19 the Bay, we did study a number and it appears again this is
 20 nearly the shortest route. We are paralleling existing
 21 facilities across the Bay instead of hitting a brand new route
 22 where there is nothing now; we are paralleling existing
 23 facilities.

24 GOV. ANDERSON: Could this kind of line be con-
 25 structed on the bridge itself or under it -- something of
 26 that sort?

1 MR. TANDY: This I don't know.

2 GOV. ANDERSON: This is the kind of question we want
3 answers to.

4 MR. TANDY: I might add -- as far as the hearings we
5 went through in San Mateo County, the two public hearings,
6 there were no objections from the audience whatsoever, nor was
7 it appealed to the Board of Supervisors.

8 GOV. ANDERSON: There were no objections to the bridge
9 we were starting to build until we started to build it and
10 then there were, so we stopped and looked at a new design. I
11 don't think it will hurt too much to take this off calendar.

12 MR. TANDY: May I ask -- the soonest we get this
13 directive and letter, we will appreciate it.

14 GOV. ANDERSON: You could get this letter to him,
15 Frank? (Turning to Mr. Cranston), You have no objection?

16 MR. CRANSTON: I am all for it.

17 MR. TANDY: Thank you.

18 GOV. ANDERSON: Proceeding on to item (d) -- H. K.
19 Porter, Inc., Thermoid Division -- a ten-year renewal of Lease
20 P.R.C. 245.1, effective 8/22/61, for 2.1 acres tide and sub-
21 merged lands of New York Slough, Contra Costa County, at annual
22 rental of \$793.80. Used for water intake and discharge lines
23 and general storage area.

24 Applicant (e), Robinet Logging Company -- acceptance
25 of quitclaim deeds for P.R.C.'s 1629.1 and 1904.1, Klamath
26 River, Humboldt County. Leases cancelled because logging

1 operations have been completed. Mr. Hortig?

2 MR. HORTIG: Mr. Chairman, in addition to the agenda
3 item appearing on page 28, I wish to call the attention of the
4 Commission to the fact that there are performance bonds still
5 on file to guarantee performance under these leases; and the
6 quitclaim deeds, though authorized for acceptance by the
7 Commission today, will not in fact be accepted nor will the
8 bonds be released until there has been a site clearance in-
9 spection at the site to determine that the property has in
10 fact been restored to the condition in which it existed at the
11 time of the lease.

12 GOV. ANDERSON: Is that precaution in most of our
13 leases now?

14 MR. HORTIG: Yes, it is standard practice with the
15 State Lands Division.

16 GOV. ANDERSON: Applicant (f) is Southwest Explora-
17 tion Company -- assignment to Signal Oil and Gas Company of
18 Oil and Gas Lease P.R.C. 1344.1, Huntington Beach Field,
19 Orange County.

20 Applicant (g) is Tidewater Oil Company -- fifteen-
21 year lease with provision for renewal for two ten-year terms,
22 1.16 acres submerged lands in Carquinez Strait at Port Costa,
23 Contra Costa County, annual rental \$198.60; occupied by oil
24 unloading wharf.

25 Applicant (h) is the Mobil Oil Company -- six-month
26 permit to conduct submarine geophysical exploration operations

1 during period 4/1/62 through 9/30/62, tide and submerged lands
2 of San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange,
3 and San Diego counties.

4 (i) is Mobil Oil Company -- six-month geological
5 survey permit for period 4/1/62 through 9/30/62, tide and sub-
6 merged lands of San Luis Obispo, Santa Barbara, Ventura, Los
7 Angeles, Orange, and San Diego counties.

8 (j) is Texaco Inc. -- six-month geological survey
9 permit for period 4/1/62 through 9/30/62, tide and submerged
10 lands of San Luis Obispo, Monterey, Santa Cruz, San Mateo, San
11 Francisco, Marin, Sonoma, Mendocino, Humboldt, and Del Norte
12 counties. That would just about cover the State.

13 MR. HORTIG: (In answer to question by Mr. Cranston
14 not audible to reporter) It goes on to the next item because
15 of the difference between geological and geophysical.

16 GOV. ANDERSON: Applicant (k) -- Standard Oil Company
17 of California, Western Operations, Inc. -- six-month permit
18 to conduct submarine geophysical operations for period 4/2/62
19 through 10/1/62, tide and submerged lands of Santa Barbara,
20 San Luis Obispo, Monterey, Santa Cruz, San Mateo, San Francisco,
21 Marin, Sonoma, Mendocino, Humboldt, and Del Norte counties.

22 MR. CRANSTON: You do have some objections on this?

23 MR. HORTIG: Yes. Mr. Chairman, with respect to the
24 application by Standard Oil Company, two telegrams of protest
25 were received -- one from Marin County Board of Supervisors
26 reading:

1 "Marin County Board of Supervisors strongly
2 opposed to application of Standard Oil Company
3 of California for permit allowing company to
4 conduct submarine exploration operations on
5 coast line of county and particularly so in
6 view of pending creation of Pt. Reyes National
7 Seashore Area and recreational use of all water-
8 front which would be jeopardized in event such
9 exploration should prove successful.

10 (signed) George H. Gness, Clerk

11 Marin County Board of Supervisors"

12 We also received a telegram addressed to the State
13 Lands Commission:

14 "Please be advised that representatives from
15 the County of Santa Cruz will be present at
16 the hearing on March 29.

17 (signed) Francis Silliman, Chairman

18 Santa Cruz County Board of Supervisors"

19 In this connection, the staff wishes to report
20 concern over the existence of these objections because the
21 counties have, as a matter of standard practice by the State
22 Lands Commission, always been informed of the pendency of
23 applications for geophysical exploration permits and in the
24 case of six prior permits, which also involve the offshore in
25 Marin County, and at least six in Santa Cruz County, the
26 respective counties have heretofore indicated nonobjection to

1 the Commission in connection with the issuance of permits
2 which were identical in content, control and purpose that
3 for which application is made here today. In addition

4 GOV. ANDERSON: Are all these counties notified in
5 ample time? How much time do they have?

6 MR. HORTIG: Normally never less than fifteen days
7 and many times up to forty-five days. In addition, a telegram
8 was received as of four thirty-seven p.m. yesterday evening
9 addressed to the State Lands Commission from Mr. H. G. Vesper,
10 President, Standard Oil Company of California Western Opera-
11 tions, Inc.:

12 "For your information, the following is a statement
13 which has been given to the press, boards of super-
14 visors and county planning directors in all coastal
15 counties from Santa Cruz to Del Norte:

16 There seems to be an unfortunate lack of
17 understanding concerning our application to the
18 California State Lands Commission for a permit to
19 conduct offshore exploration activities north of
20 Point Conception. We have merely asked permission
21 to conduct routine seismographic and other ex-
22 ploration programs to obtain data for use in
23 possible bidding on Federal offshore leases if
24 and when these lands become available. This
25 does not involve any drilling operations either
26 onshore or offshore.

1 " We are only one of a number of companies
2 which have filed for similar permits. Operations
3 of this kind have already been conducted by other
4 companies in this general area.

5 We have no plans to drill any oil well off
6 the coast in this area. Leases, of course, must
7 be secured before any such plans can be considered.
8 These Federal lands lie beyond the three-mile
9 State jurisdiction. The State is involved only
10 because it administers these lands for the Federal
11 government.

12 There is no basis in fact for the rumors that we
13 are at present considering drilling operations at
14 or near Santa Cruz, Pt. Reyes or anywhere else
15 along the California coast north of Point Conception.
16 Our company has conducted exploration operations
17 off the Pacific Coast for many years under the
18 complete supervision of the appropriate State and
19 local government authorities and with the accept-
20 ance of local fish and wildlife organizations.
21 It has been proved many times over that such
22 activities are not harmful to the scenic and wild-
23 life resources of the areas involved.

24 The principal tool of offshore exploration
25 is the seismographic curve, which records the
26 results of a carefully planned and executed series

1 "of harmless underwater detonations to obtain a
2 profile of the earth's crust below. Our geologists
3 then review this technical information to determine
4 whether further investigation is warranted.

5 We have always considered fully the interest
6 of the public in planning and carrying forward our
7 oil exploration, and we will certainly continue to
8 do so in this area."

9 MR. HORTIG (continuing): Additionally, for the
10 record, Mr. Chairman, and in response to Mr. Cranston's ques-
11 tion, while the telegrams of protest relate only to the appli-
12 cation for geophysical exploration permit in the area specified,
13 this follows logically because only on geophysical exploration
14 operations which involve the use of explosives has the Lands
15 Commission notified the onshore counties heretofore.

16 Geological explorations, which are conducted without
17 the use of explosives, consisting of taking bottom samples or
18 drilling shallow holes offshore from floating equipment which
19 from onshore has all the appearance of an anchored fishing
20 vessel, has never been objected to by any county or by any
21 municipality and has never therefore been a source of a regu-
22 lar notification program for consideration.

23 The genesis of the Commission's authorization or
24 directive that counties be notified was restricted to geo-
25 physical exploration permits in order that counties where
26 explosives would be set off offshore would be notified in

1 advance; and, as I said earlier, with respect to the two
2 protestant counties, Santa Cruz and Marin, there have been at
3 least six exploration permits in the past operated under
4 identical conditions as those proposed here, without objection
5 on behalf of those protesting counties.

6 GOV. ANDERSON: Are there people here from Santa
7 Cruz County?

8 MR. SANBROOK: My name is John Sanbrook, represent-
9 ing Santa Cruz County.

10 GOV. ANDERSON: You are representing the County?

11 MR. SANBROOK: Yes.

12 GOV. ANDERSON: In what capacity?

13 MR. SANBROOK: I am Assistant County Counsel, Mr.
14 Chairman. For the record, I would like to indicate that
15 Santa Cruz's position here is not one of protest, but primarily
16 one of concern. This telegram was sent last night and is
17 actually not a protest. The County Board of Supervisors con-
18 sidered this matter at their regular meeting on March 26th
19 and were somewhat favorably inclined. They had some deep
20 reservations primarily from the standpoint that possibly ex-
21 plosives would be used and the effect explosives would have on
22 the wildlife in the area. This is primarily the concern the
23 County Board of Supervisors had. It is not actually one of
24 protest; actually, it is favorable.

25 GOV. ANDERSON: Have you had these other explorations
26 before?

1 MR. SANBROOK: Possibly we have. I have never heard
2 of it.

3 GOV. ANDERSON: Has it hurt the wildlife?

4 MR. SANBROOK: We had a report that apparently it
5 had no effect on wildlife.

6 MR. SIEROTY: Is it not true that these tests are
7 supervised?

8 MR. HORTIG: Concurrent permits from the Department
9 of Fish and Game, with a regional inspector at all times
10 present. Additionally, there is an inspector of the State
11 Lands Commission aboard the boat.

12 MR. CRANSTON: What are the effects on fish and
13 wildlife?

14 MR. HORTIG: In 1950, the Department of Fish and
15 Game, after extensive studies and cooperative determination of
16 control conditions with the State Lands Commission as to the
17 type and size of explosive charges, determined that such opera-
18 tions could be conducted when controlled by the Lands Commis-
19 sion and Fish and Game Commission without any detrimental
20 effect on the marine life; and it is only under these control
21 conditions that there has been any geophysical exploration
22 off the California coast since 1950, including six prior per-
23 mits under the same control conditions which were effective
24 for Santa Cruz County before.

25 MR. CRANSTON: On a related point, I heard the fear
26 had been expressed in Santa Cruz that there might be unsightly

1 oil derricks cropping up offshore.

2 MR. SANBROOK: This is true.

3 MR. CRANSTON: The wire we have received from
4 Standard Oil Company states they would like to do this work
5 only to give them data that would be helpful to them if there
6 is a possibility of bidding on Federal offshore areas which
7 are beyond three miles out, and the actual fact is the State
8 is without authority and is forbidden to permit any drilling
9 without the three-mile limit under the Federal authority, so
10 there actually is no danger. In view of what has been said
11 here, do you think there is any objection by Santa Cruz?

12 MR. SANBROOK: Not that I can see. They just wanted
13 to see that appropriate restrictions would be placed in effect
14 if necessary.

15 MR. CRANSTON: The restrictions are already in
16 effect.

17 MR. SIEROTY: On this matter of the oil derricks,
18 Mr. Hortig, do you think it would be helpful to point out the
19 new methods in use?

20 MR. CRANSTON: But there is no drilling anticipated
21 at this time.

22 MR. HORTIG: Except possibly we might state in con-
23 nection with Mr. Cranston's discussion, the State Lands Com-
24 mission could not under present State law consider any area
25 offshore of Santa Cruz County for oil and gas lease unless and
26 until it were necessary to offer such lands to offset drainage

1 of adjoining lands; so until Santa Cruz itself and through
2 its planning commissions authorizes the establishment of a
3 threat on the upland derricks, of necessity under present law
4 this would arise first on the uplands rather than on the tide-
5 lands.

6 MR. CRANSTON: Frank, let me ask a question that
7 arises out of that. Suppose the Federal government authorized
8 drilling seaward from the present holdings and we feel we are
9 being drained, does the present law authorize us to consider
10 offering leases?

11 MR. HORTIG: I believe it would sir, to protect that.

12 GOV. ANDERSON: Any further comments?

13 MR. LOCATELLI: My name is Locatelli, member of the
14 Board of Supervisors.

15 GOV. ANDERSON: What county?

16 MR. LOCATELLI: Santa Cruz. I am on the Board
17 there and I understand you are on the Board of Regents. The
18 Board was split there in granting this permit. They feel this
19 way: If a permit is granted, then a company comes in and they
20 go ahead and get the lease for drilling, of course the Planning
21 Commission informed us that would be a kind of hard deal be-
22 cause four things came up in Monterey Bay. First, the Uni-
23 versity of California is coming in; second, you are spending
24 three million dollars for a new yacht harbor which you are now
25 developing, and the people said they don't want any derrick
26 out there or anything else to ruin the scene of the bay and

1 they don't want no oil operation out on the bay in Santa Cruz
2 Bay, because we have a lot of people on the beaches and fishing.

3 Two of the Board members tried to get me to reverse
4 my vote. I was trying to vote for this exploring. They didn't
5 like to see any dynamite or explosive of any kind. The Fish
6 and Game don't like it either, but they say they are controlled
7 by the State Lands Commission, whatever you want to say.

8 I want to say this very brief - - we are only down
9 here to get information; that's what we are here more for,
10 but we received a right to explain this morning. That's all
11 I want to say.

12 One of the things I want to go on record: If a
13 permit is being granted for drilling, then the Board of Super-
14 visors is going to file a protest.

15 MR. CRANSTON: Do you concur with your County Counsel
16 that you would have no objection in view of what was said?

17 MR. LOCATELLI: That's right. Two Board members
18 were against it.

19 GOV. ANDERSON: Is there a representative from Marin
20 County here? (No response)

21 Is there any information, Mr. Hortig, when the State
22 Lands Commission does allow one of these companies to do one
23 of these exploration jobs and they go out there that the Fish
24 and Game feels reluctant to protest? Do they feel they are
25 obligated to some other policy set up by some other State
26 agency? Or is this a wrong impression?

1 MR. HORTIG: I would say it is definitely an incor-
 2 rect impression, Governor Anderson, because the permit controls
 3 and conditions that are in the concurrent permit required from
 4 the Department of Fish and Game are determined by the State
 5 Fish and Game Commission and are administered by the State
 6 Department of Fish and Game, completely independently but
 7 happily cooperatively with the operations that are conducted,
 8 administered and inspected by the State Lands Commission.
 9 As a matter of fact, actually the tendency has been that in
 10 connection with the use of explosives and their potential
 11 effect on marine life, the State Lands Commission has leaned
 12 heavily on the technical advise of the State Department of
 13 Fish and Game as to what would be acceptable in that area and
 14 has modified State Lands Commission concurrent permits in order
 15 to require exactly that and not permit any more than a Fish
 16 and Game permit authorizes in terms of explosives used, which
 17 explosive use has been determined by the Fish and Game Commis-
 18 sion to be such that it will not be detrimental to marine life.

19 MR. SILROTY: Mr. Hortig, the purpose of these ex-
 20 plorations is to gather information, and this information
 21 becomes part of the records available to this Commission, is
 22 that not true?

23 MR. HORTIG: Upon request these data under these
 24 permits must be made available to the Lands Commission as
 25 confidential information.

26 GOV. ANDERSON: But strictly in confidence.

1 MR. CRANSTON: Mr. Chairman, I think it would be
2 appropriate to ask the representative of Standard Oil if they
3 would agree -- as they have agreed under similar circumstances
4 in the past, or other companies have in the past -- to defer
5 the application insofar as Marin is concerned, so we will have
6 an opportunity to explain to them the facts that have been ex-
7 plained to the people from Santa Cruz. I am pretty confident
8 that their objections would be ended once the staff and
9 Standard Oil have explained the situation to them, and this
10 could be taken up at the next meeting in Sacramento, where
11 they could be present if they wish to be; but as far as I am
12 concerned the balance of the application would be approved.

13 GOV. ANDERSON: Is there any representative of the
14 Standard Oil Company, Western Operations?

15 MR. ARMSTRONG: My name is R. W. Armstrong, repre-
16 senting the Standard Oil Company of California. We would have
17 no objection to deferring the granting of the geophysical per-
18 mit as to Marin County. We would like to commence operations
19 elsewhere and if you wish to defer it to the next meeting
20 that will be satisfactory to us.

21 MR. CRANSTON: In respect to this item, I move that
22 it be approved with the exception of Marin and that that go
23 over to the next meeting, and that Standard and the Lands Com-
24 mission staff be instructed to discuss this with the Marin
25 people prior to the next meeting.

26 GOV. ANDERSON: Seconded and carried unanimously.

1 MR. CRANSTON: Supervisor Locatelli, will you explain
2 to the other two members the action taken here? I think their
3 objections would be cancelled also.

4 GOV. ANDERSON: Proceeding with the calendar, item
5 (1) -- San Diego Gas and Electric Company -- deferment for lease
6 year ended 3/9/62 of operating requirements specified in Sec-
7 tion 10 of Mineral Extraction Lease P.R.C. 2094.1. Dredging
8 operations temporarily completed, but further extraction for
9 additional construction anticipated.

10 Applicant (m) -- Standard Oil Company of California
11 and Shell Oil Company -- deferment of drilling requirements
12 under Oil and Gas Lease P.R.C. 2198.1 from 4/14/62 through
13 10/13/62, offshore Santa Barbara County. Time needed to com-
14 plete evaluation of exploratory prospects.

15 MR. CRANSTON: I move approval of all items under
16 Item Classification 3, with the exception of (c), which was
17 removed from today's calendar, and (k) which we have already
18 acted upon.

19 GOV. ANDERSON: I am going to second it. Before we
20 vote on it, I would like to get a little further explanation
21 of why the deferment of the drilling requirements on that
22 lease.

23 MR. HORTIG: Yes, Mr. Chairman. The lease for the
24 subject parcel was issued pursuant to competitive bidding on
25 October 14, 1958, which provided a requirement for initiation
26 of drilling operations within three years, which would have

1 been October 14, 1961. In fact the lessees advanced that
2 drilling schedule and did not take advantage or disadvantage
3 of all the time they had to commence drilling, and actually
4 drilled and abandoned because they were unproductive four
5 wells on the lease, which have been drilled at a cost of
6 approximately one million, five hundred thousand dollars --
7 which is the cost to the lessee in addition to the cash bonus
8 which was paid for the issuance of the lease.

9 In connection with other lease offers of the Commis-
10 sion recently, there have been further geophysical explorations
11 offshore in the same general Santa Barbara County area where
12 this lease is located and it is felt by the lessees, and con-
13 curred in by the staff, that it would be desirable from an
14 effective and efficient operating standpoint to have a period
15 of time within which to evaluate and coordinate all currently
16 available exploration data and the geologic results obtained
17 from these four unsuccessful wells before the companies decide
18 whether their program is going to be to quitclaim the lease
19 back to the State or proceed with further exploratory drilling.

20 Therefore, it is recommended that the lessees be
21 granted a six-month deferment period in order to undertake
22 and hopefully complete such studies.

23 MR. CRANSTON: What was the date when this particular
24 lease was made?

25 MR. HORTIG: This was a late one, October 14, 1958,
26 later than the other four parcels issued in '58, because there

1 was a discussion as to the adequacy of the cash bonus bid on
2 this parcel. It was the last one issued in the 1958 series.

3 GOV. ANDERSON: I second Mr. Cranston's motion on
4 all these items and it is carried unanimously.

5 Item 4 is City of Long Beach approvals required
6 pursuant to Chapter 29, 1956, First Extraordinary Session.
7 The first project is (a) -- Town Lot, street paving and build-
8 ing removal, second phase; expenditure subsequent to 3/29/62
9 of \$40,000 with \$25,200 or sixty-three percent estimated as
10 subsidence costs. Project (b) -- Pier A, diversion dike
11 remedial -- determination of State's share of subsidence
12 remedial costs to be \$9,092.61, with credit due State of
13 \$675.46. Project (c) -- Pier A, diversion dike remedial --
14 determination of State's share of subsidence remedial costs
15 to be \$7,854.51, with credit due City of \$197.51. Project (d)
16 is Pier A, berths 3 to 7, temporary dike wall -- determination
17 of State's share of subsidence remedial costs to be \$6,808.90
18 with credit due City of \$12.99.

19 MR. HORTIG: Mr. Chairman, at this point to set
20 these items in their proper perspective as representing both
21 the initiation and completion of projects, I should like to
22 call the attention of the Commission to the fact that item (a)
23 is the type of project that requires advance approval by the
24 State Lands Commission before the City can expend funds for
25 the completion of the project and the statutes provide that
26 as to subsidence amounts ultimately determined to be included

1 as the State's share, the rate is twenty-five percent of the
2 total cost. It is noted that the \$25,200 proposed to be
3 approved, which is sixty-three percent estimated as subsidence
4 costs, is conditioned in the recommendation to the Commission
5 to be adjusted as a result of final engineering and audit re-
6 view when the project is completed in fact.

7 The next three items, (b), (c) and (d), are projects
8 previously approved by the Lands Commission under the same
9 conditions with the same restrictions, which projects now
10 have been completed in fact; the final engineering and audit
11 reviews have been made and, as can be seen, the final book-
12 keeping entries can now be made.

13 In the first instance, the State's contribution
14 would be \$675 less than estimated; in the next two instances,
15 the City is entitled to \$197 and \$13 respectively more over
16 and above the original estimates.

17 GOV. ANDERSON: Project (e) is approval of and
18 authorization for Executive Officer to approve "Fourth Agree-
19 ment Supplementing Drilling and Operating Contract dated
20 March 12, 1947, Parcel A," between City of Long Beach and its
21 Board of Harbor Commissioners as first parties and Richfield
22 Oil Corporation as second party -- to prevent migration of oil
23 into unleased marginal lands.

24 MR. HORTIG: Mr. Chairman, in connection with the
25 review of the proposal by the Office of the Attorney General,
26 the opinion of the Office of the Attorney General was forwarded

1 with the suggestion that there be additional conditions for
2 control available to the State Lands Commission relating to
3 advance approval of the location of the injection interval of
4 any well to be drilled for the injection of water which this
5 program contemplates be done in augmentation of the present
6 repressuring operations being conducted in the tidelands area
7 of Long Beach.

8 The additional condition suggested by the Attorney
9 General's Office as a condition for approval by the Commission
10 has been accepted in writing by the General Manager of the
11 Long Beach Harbor Department and the Richfield Oil Corporation
12 by letter. Therefore, it is recommended that authorization
13 for approval of amendments to the agreement be authorized by
14 the Commission.

15 MR. CRANSTON: Mr. Chairman, I move approval of
16 Item Class 4.

17 GOV. ANDERSON: It has been moved and seconded,
18 carried unanimously.

19 Item Classification 5 -- Land items - sales, selec-
20 tions, et cetera. All land sale items here presented have
21 been reviewed by all State agencies having a land acquisition
22 program and, unless otherwise indicated, no interest has been
23 reported by those agencies in any of the lands proposed for
24 sale.

25 (a) is the sale of vacant State school lands and
26 the first applicant is Henry I. Miller, Jr.; appraised value

1 of the land is \$22,400, the bid is the same.

2 (b) is the selection of vacant Federal lands on
3 behalf of the State. Applicants do not desire to proceed with
4 acquisition of the lands. The first is forty acres in Kern
5 County pursuant to application of William L. McCain.

6 MR. HORTIG: With respect to item (b)(1), of course,
7 Mr. Chairman, the authorization by the Commission would result
8 in the specified forty acres of Federal lands in Kern County
9 being selected for the benefit of the State and being added to
10 the list of vacant State school lands under the jurisdiction
11 of the State Lands Commission.

12 MR. CRANSTON: I move approval of items in Class 5.

13 GOV. ANDERSON: Seconded and carried unanimously.

14 Item Classification 6 is the proposed oil and gas
15 lease, Santa Barbara County, Parcel 7. Mr. Hortig, this is
16 an underwater drilling operation. Will you explain it a little
17 bit for the record?

18 MR. HORTIG: Mr. Chairman, as an introduction I
19 believe it might be well to present to the Commission at this
20 point the information that with respect to an offer of the
21 State Lands Commission of a proposed oil and gas lease identi-
22 fied as Parcel 6, previously authorized by the Lands Commission
23 for offer, four bids were received on March 27th in response
24 to a public notice of intention to enter into a lease for the
25 extraction of oil and gas from fifty-six hundred and fifty-
26 three acres (approximately) in Santa Barbara County, immediately

1 adjacent to Point Conception, pursuant to the authorization by
2 the Commission on February 27th. The bids which were received
3 and opened are under review by the staff and the Office of the
4 Attorney General as to technical and legal sufficiency and,
5 as presented in the tabulation of the cash bonus offered, there
6 were four bids with the established high bid being offered by
7 Union Oil Company of California in the amount of \$3,047,740.
8 The staff recommendations relative to Commission consideration
9 for award of lease pursuant to this offer will be presented to
10 the Commission at the April meeting.

11 Following in sequence, then, Mr. Chairman, it is
12 proposed on pages 48 and 49 of your agenda to recommend authori-
13 zation to the staff to proceed with the offering of Parcel 7,
14 a parcel slightly smaller in size than Parcel 6, containing
15 4,250 acres, centered approximately on the Santa Barbara County
16 coast line at Gaviota.

17 As the Commissioners will recall, in the development
18 of lease terms and conditions in cooperation with the County
19 of Santa Barbara and as developed at public hearings held at
20 Santa Barbara, the Board of Supervisors felt that it was desir-
21 able that for any area east of Gaviota there would be a limi-
22 tation that would preclude the placement of any permanent
23 structures projecting above the surface of the ocean where
24 they would be semi-permanently visible at any location that
25 would be closer than one mile to the ordinary high water mark.

26 The last set of leases offered in the general area

1 by the Commission in 1958 contained such a prohibition as to
2 closer approach to the shore in the lease. At the time of re-
3 view with the County of Santa Barbara for what is now the Com-
4 mission's current series of lease offers, the techniques of
5 ocean floor completion of an oil well -- the type of which the
6 Commission has approved several times and we have several in
7 actual operation completely satisfactorily -- these techniques
8 and the method of production had not been developed and actu-
9 ally put into use offshore in California, and therefore this
10 type of operation was not contemplated in connection with the
11 prohibition for maintaining of operations at lease one mile
12 offshore.

13 As reported in the third paragraph, to assure com-
14 plete mutual understanding as to the bases for employing ocean
15 floor installations closer than one mile from shore in oil and
16 gas leases to be offered by the Commission in the tidelands
17 area between Gaviota and Elwood (and the parcel under considera-
18 tion here this morning is at the westerly edge of this area),
19 this Division explained to the Santa Barbara officials the
20 merits and techniques of ocean floor completions, that it is
21 desirable to employ ocean floor completions where feasible,
22 and that the previously quoted condition of the present oil
23 and gas lease form (parenthetically, the one-mile limitation)
24 does not preclude this type of operation.

25 Therefore, it is recommended -- and we have had no
26 objection from the Santa Barbara County Board of Supervisors

1 on that position; the position was also discussed with the
2 District Attorney, the County Counsel, the Director of Planning,
3 and the principal administrative assistant to the Board of
4 Supervisors in Santa Barbara

5 GOV. ANDERSON: This particular lease, then, will be
6 limited to ocean floor drilling?

7 MR. HORTIG: No sir. This particular lease would
8 carry the same limitation for permanent structures protruding
9 above the ocean floor, as being prohibited any closer than one
10 mile to the ordinary high water mark.

11 GOV. ANDERSON: Won't that in effect almost limit
12 the depth?

13 MR. HORTIG: In some sections of the parcel it might
14 still be feasible to do it with a platform or island type
15 structure, but anything of a permanent nature to be a mile out.

16 GOV. ANDERSON: I have been led to believe that this
17 was out -- that the fall-off was fast enough out there to make
18 this almost prohibitive.

19 MR. HORTIG: It is less desirable. If there were
20 no other factors to be considered on behalf of the County and
21 if this were acres of land out in the Saudi or Arabian desert,
22 developing an effective, economic and efficient operating
23 program would be considerably simpler.

24 GOV. ANDERSON: We can assume for practical purposes
25 that it will probably be ocean floor drilling in this area?

26 MR. HORTIG: Certainly it is a definitely reasonable

1 assumption that much of the original and initial development
2 may be by ocean floor completion.

3 GOV. ANDERSON: Isn't the ocean floor type drilling
4 something that all of our bidders are able to do? Does it in
5 a sense limit the people that are able to bid? This is the
6 thing I want to know -- Are we moving too fast for all of the
7 people?

8 MR. HORTIG: Most of our bidders in all of the com-
9 panies engaged in tideland activities have not completed ocean
10 floor wells heretofore. However, I have the utmost confidence
11 and respect in their engineering capability and I don't think
12 an ocean floor completion is any longer a military secret. If
13 any operator wants to make an ocean floor completion today, I
14 am sure that they are staffed to the point where they could
15 complete the laboratory and field tests and designs for those
16 elements of which they are not already aware.

17 GOV. ANDERSON: It wasn't too long ago when we were
18 showing some pictures and it was in confidence; it was with
19 the assumption that there were secrets some other companies
20 did not have.

21 MR. HORTIG: This is still correct, but this means
22 of the types of ocean floor completions we have in satisfactory
23 operation with complete safety. We have at least three dif-
24 ferent types, three different companies, and I am sure if we
25 get five companies in as lessees who want to use ocean floor
26 completions we will have five different types of ocean floor

1 completions; but as a class, it will all come under the heading
2 of a cat but they are all going to be different breeds of cats
3 and can be successfully.

4 So, therefore, it is recommended that the Commission
5 authorize the Executive Officer to offer Parcel 7 for lease,
6 with the bid lease form to be utilized to be spelled out
7 specifically as spelled out on the bottom of page 48 -- that
8 after the the one-mile limitation on permanent filled lands,
9 platforms or other fixed or floating structures "this section
10 shall not apply to drilling and completion of a submerged ocean
11 floor oil or gas well."

12 MR. CRANSTON: I move approval.

13 GOV. ANDERSON: Do you have a question, Mr. Sieroty?

14 MR. SIEROTY: Mr. Chairman, may I ask what is the
15 problem of using this ocean floor drilling beyond the one-mile
16 mark?

17 MR. HORTIG: I think the problems are directly related
18 to the depth of water. In California we have not yet had an
19 ocean floor completion that did not utilize or require in some
20 stage of the operation some diver attendance, some diver mani-
21 pulation of the equipment. Therefore, if the water depth is
22 beyond the range of diver operation, this type of operation
23 may not be feasible or economical. There have been some
24 alternative solutions to this extreme water depth problem.
25 One of our lessees which supports the ocean floor well to a
26 height that brings it within diver range has one possible

1 solution. On the other hand, there have been Industry reports
2 of a complete unattended remote control ocean floor completion
3 of a well in the Gulf and if such remote control operations
4 merely require adding more cable or pipe in the deeper water,
5 we can foresee overcoming the deep water hazard, even where it
6 is too deep for diver operations.

7 On the other hand, the number of individual wells
8 under these techniques is not extensive and there can be cases
9 where economics indicate it is more desirable to have a multiple
10 platform and to fan out from that platform, rather than have
11 individual wells and piping at each point where wells are lo-
12 cated. This is the advantage of having maximum flexibility --
13 the advantage to the Commission and the lessee to have maximum
14 flexibility in a lease that can be incorporated, in order that
15 the best engineering economics can be brought to bear on the
16 development of the lease.

17 GOV. ANDERSON: It has been moved and seconded,
18 carried unanimously.

19 Item Classification 7 is the approval and authoriza-
20 tion for the Executive Officer to execute agreement with the
21 City of Oakland, fixing the United States Pierhead Line of
22 1913 as the ordinary low water mark line and permanent boundar
23 line between State tide and submerged lands and City of Oak-
24 land lands between Broadway and Washington Streets, City of
25 Oakland, Alameda County, California; and applying legislative
26 trust terms and conditions of Chapter 720/41 to lands norther

1 of the ordinary low water mark previously acquired by the City
2 of Oakland with tideland trust funds.

3 MR. HORTIG: Mr. Chairman this is probably as com-
4 plex a title problem as we have had the pleasure of wrestling
5 with for a long time, but fortunately the City of Oakland is
6 the fee owner of the uplands and the trust owner of the granted
7 tidelands adjoining; and, therefore, we were able to arrive at
8 a point of agreement with the City of Oakland as to the most
9 probable location of the dividing line between the grant lands
10 and the uplands, and recommend that the Commission approve
11 this line as the boundary line, which is within the authority
12 of the State Lands Commission to do by agreement with the
13 adjoining owner.

14 MR. GRANSTON: I move approval.

15 GOV. ANDERSON: Seconded ...

16 MR. HORTIG: The Port Attorney of the City of
17 Oakland is here.

18 GOV. ANDERSON: Would the Port Attorney like to come
19 forward and identify himself?

20 MR. ROONEY: Mr. Chairman and members of the Commis-
21 sion, my name is J. Kerwin Rooney, Port Attorney of the City
22 of Oakland, and I am only here to answer any questions you
23 might have. We have been working with the Lands Commission
24 many months on this matter and have had all cooperation.

25 GOV. ANDERSON: You recommend our approval?

26 MR. ROONEY: Certainly do.

1 GOV. ANDERSON: It has been moved and seconded,
2 carried unanimously.

3 Item 8 -- Approval of proposed boundary line estab-
4 lishing ordinary high water mark between State property and
5 upland property owned by Melvin E. and Lillian B. Lynch at
6 Malibu Beach, Los Angeles County, California; authorization for
7 Executive Officer to execute necessary agreement with upland
8 owners.

9 MR. HORTIG: As shown by the photograph on the second
10 page following page 58 of your agenda, by erection of residence
11 property on the beach and placing a rock riprap wall at a loca-
12 tion which has been determined by the Division to be at the
13 location of the ordinary high water mark, the present occupants
14 of the uplands have for all times affected the mean high tide
15 line and it can no longer fluctuate as it would without this
16 rock wall; and, therefore, it is recommended -- since this
17 rock wall is on privately owned uplands and the State boundary
18 is at the base of the rocks -- that similarly to the agreement
19 recommended for the Port of Oakland, the Lands Commission auth-
20 orize agreement as to the fixation of this boundary line and
21 have a map of it recorded, so that there will be no question
22 in the future as to private encroachment on State lands.

23 MR. CRANSTON: I move approval.

24 GOV. ANDERSON: Seconded, carried unanimously.

25 Item 9 is the authorization to the Executive Officer
26 to issue permit pursuant to Chapter 1617/51, reserving to

1 the Contra Costa Flood Control and Water Conservation District
 2 certain portions of natural bed of Nueces Creek, Contra Costa
 3 County, for construction, maintenance and use of a flood con-
 4 trol channel.

5 MR. HORTIG: The Contra Costa Flood Control and Water
 6 Conservation District was created by legislative action and
 7 in their discharge of their responsibility desire to construct
 8 a flood control channel as shown on the map following page 59
 9 of your agenda. The course of this channel would also in-
 10 clude two segments of former Nueces Creek, now called Grayson
 11 Creek, which are outlined in black block on your map there,
 12 Governor, and as to these two areas of State-owned land, it is
 13 recommended that the District be given the reservation as
 14 authorized in law for utilization of these portions of the
 15 abandoned creek as a portion of the site for a flood control
 16 channel.

17 MR. CRANSTON: I move approval.

18 GOV. ANDERSON: Seconded, carried unanimously.

19 Classification 10 -- Authorization for Executive
 20 Officer to execute service agreement with City of Albany,
 21 California, for surveying services pursuant to Chapter 1763/61,
 22 at Commission's actual costs but not to exceed \$4,000.

23 MR. HORTIG: As the Commission is aware, the Legis-
 24 lature annually continues to grant tide and submerged lands to
 25 various municipalities and counties and the current standard
 26 condition of such granting legislation is that the grant must

1 be surveyed by the State Lands Commission at the cost of the
 2 grantee before the grant can take effect. We have estimated
 3 that the Commission's costs to make such a survey in the case
 4 of the Albany grant of 1961 would not exceed \$4,000 and the
 5 City of Albany is willing to enter into a service contract to
 6 have this service performed and to pay the State Lands Commis-
 7 sion the cost.

8 It is recommended the Executive Officer be authorized
 9 to sign this contract, the blanket authorization being limited
 10 to a top of \$2,000.

11 MR. CRANSTON: I move approval.

12 GOV. ANDERSON: Seconded, carried unanimously.

13 Item Classification 11 -- Authorization for Executive
 14 Officer to approve and have recorded Sheet 1 of 1 of Map en-
 15 titled "Map of the Grant to the City of Chula Vista, Chapter
 16 328, Statutes of 1961, Vicinity of San Diego Bay, San Diego
 17 County, California," dated December 1961.

18 MR. CHAIRMAN: Again in perspective, Mr. Chairman,
 19 just as the start was made in authorizing survey of a tideland
 20 grant, the item here is the end product pursuant to prior
 21 authorization of the Commission. Survey was conducted of
 22 the tideland grant at the cost of the City of Chula Vista,
 23 the photographic reproduction follows page 61 of your agenda,
 24 and it is recommended that this map be authorized to be ap-
 25 proved and be recorded, following which the City of Chula
 26 Vista will then have a valid tideland grant.

1 MR. CRANSTON: I move approval.

2 GOV. ANDERSON: This is solely in front of the City
3 limits of Chula Vista?

4 MR. HORTIG: That is correct. As a matter of fact,
5 the purpose of the 1961 grant was to convey to Chula Vista the
6 remaining ungranted tide and submerged lands within the city
7 limits of Chula Vista.

8 GOV. ANDERSON: I'll second it; carried unanimously.
9 12 is confirmation of transactions consummated by
10 the Executive Officer pursuant to authority confirmed by the
11 Commission at its meeting on October 5, 1959.

12 MR. HORTIG: Consisting at this time solely of
13 ratification of an extension granted for a geological explora-
14 tion permit which was previously authorized by the Lands
15 Commission.

16 MR. CRANSTON: Do you want a motion?

17 GOV. ANDERSON: Moved and seconded, carried
18 unanimously.

19 Item 13 -- information only, no Commission action
20 required. (a) is Proposed Annexation No. 2 of tide and sub-
21 merged lands by the City of San Clemente, Orange County.

22 MR. HORTIG: As the Commission will recall, at the
23 last meeting no action was taken with respect to the proposed
24 annexation of tide and submerged lands by the City of San
25 Clemente on the representation of the Special City Attorney
26 that the annexation proceedings would be discontinued or

1 abandoned. I have before me a copy, attested by the Clerk of
2 the City of San Clemente, of the ordinance of the City of San
3 Clemente, California dated 21 March '62, disapproving annexa-
4 tion Number 2 and thereby disposing of any pending annexation
5 proceedings on tide and submerged lands, and in a form which
6 has been reviewed and is felt to be satisfactory by the Office
7 of the Attorney General.

8 GOV. ANDERSON: (b) is the report of status of
9 major litigation.

10 MR. HORTIG: Essentially, as you gentlemen can see,
11 the wheels of justice are grinding slowly. Procedural matters
12 are being disposed of in connection with all of our litigation
13 which is on file. Of particular interest, possibly, is item
14 2, the Alamitos Bay quitclaim litigation, in which the District
15 Court of Appeal held in favor of the State. There is now under
16 consideration in the Supreme Court a petition for rehearing.
17 We will get the terminology straight from our counsel.

18 MR. SHAVELSON: Petition for rehearing in the Dis-
19 trict Court of Appeal has been denied and the time for filing
20 a petition for hearing in the State Supreme Court has not as
21 yet expired, so this case is still pending in the appellate
22 court.

23 MR. HORTIG: However, is not the decision of the
24 Supreme Court anticipated shortly, one way or the other?

25 MR. SHAVELSON: Not as shortly as I informally
26 indicated to you earlier. I think it is possible we may not

1 know the Supreme Court's decision as to whether or not to
2 review this decision within about another, I think, forty
3 days or so.

4 GOV. ANDERSON: That just about winds us up. I
5 would like to just comment to the staff that I was quite happy
6 with the proceeds of the lease on Parcel Number 6. Our State
7 Controller needs that money to help keep our books in balance.
8 We hope that you can do as well on Parcel 7. Congratulations
9 on what you are doing so far.

10 MR. KORTIG: Thank you.

11 GOV. ANDERSON: I think the last in order is con-
12 firmation of the date, time and place of the next meeting --
13 Thursday, April 26, 1962 at 10 a.m. in Sacramento; and if
14 there is no one in the audience with anything further to
15 bring before the Commission, we stand adjourned until that
16 meeting. (No response) We are adjourned.

17 ADJOURNED 11:45 A.M.

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CERTIFICATE OF REPORTER

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I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing forty-seven pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held in Los Angeles, California, on March 29, 1962.

DATED: Sacramento, California, April 10, 1962.

Louise H. Lillico
